

PIKE COUNTY PROJECT DEVELOPMENT BOARD

MEETING MINUTES

**Pike County Courthouse
Pikeville, Kentucky**

September 3, 2009 at 5:00 p.m.

PRESIDING OFFICER: Judge/Executive Wayne T. Rutherford

MEMBERS OF THE BOARD PRESENT:

**Magistrate Jeff Anderson
City Manager/AOC Representative Donovan Blackburn
Circuit Judge Eddy Coleman
David Deskins, Circuit Court Clerk
State Bar Association Representative Neal Smith
AOC Project Manager Jim King**

OTHERS PRESENT:

**Debbie Bailey, Grace Fellowship Church
Bobby Branham, Executive Assistant to Judge/Executive
Emily Burton, News-Express Reporter
Assistant Pike County Attorney R. Roland Case
Rose Farley, Recorder
Michael George, Ross, Sinclair & Associates
Rhonda James, Finance Commissioner of Fiscal Court
Michael Stewart, Grace Fellowship Church
David Sumner, Codell Construction**

MEMBERS OF BOARD ABSENT:

**Citizen at Large Honorable Charles E. Lowe, Jr.
District Judge Darrell Mullins**

Pike County Judge/Executive Wayne T. Rutherford, Chair of the Pike County Project Development Board, called to order a regularly scheduled meeting of the Board on September 3, 2009, at 5:00 p.m., in the Pike County Fiscal Courtroom, Pike County Courthouse, 146 Main Street, Pikeville, Kentucky. **Upon motion by Neal Smith and second by David Deskins, the Board meeting minutes for August 6, 2009, were unanimously APPROVED but with votes of ABSTENTION by Pikeville City Manager Donovan Blackburn and Judge Eddy Coleman, who were absent at the last meeting.**

Judge Rutherford called upon AOC Project Manager Jim King. He reported he had attended a meeting at AOC with Architect Steve Sherman of Sherman, Carter and Barnhart, and was "delighted" with the building. Mr. Sherman is doing Phase C design work which pertains to actual construction documents for the building. He said there will be a base bid and additive alternates for the building. He said this is critical because the construction costs have been "exceptionally reasonable" and it does not appear this will change in the next month or two, with which David Sumner of Codell Construction agreed. Mr. King said the reasonable prices would make the building more efficient and reduce cost of maintenance over the years.

Mr. King confirmed that Mr. Sherman's firm has followed AOC guidelines for designing the building which will produce a LEEDS Silver Building with the only additional costs incurred being the review processes for it and the modeling processes which are required for the heating, ventilation and air-conditioning system. Some additional costs will be incurred on the recycling process and documenting during the construction phase.

He then brought up revision of the appraisals. He said because it has been such a long time, new appraisals need to be done. Judge Rutherford offered the Board's support for that. He then asked if the other appraiser was duly licensed if he were to return and Mr. King replied he has retired and legally cannot do the updated appraisals. When Judge Rutherford asked if the County Attorney's office had been apprised of this, Assistant Pike County Attorney Roland Case answered he was aware of the situation. He said a different witness should be secured for the trial.

Judge Eddy Coleman asked Attorney Case the status of the cases that are finished and he said he was still preparing the deed and wanted to get clarification tonight on whether the grantee was to be the Pike County Fiscal Court or the Public Properties Corporation. He said he had been told it was to be the Corporation and asked if the Board agreed with that. Judge Rutherford said if that were his assessment as to how it is to be done, then that is the way to go. Attorney Case said he had spoken with Jim about getting the money issued and he asks tonight that the Board go ahead and approve the disbursements. Mr. King recommended that the Board approve those. Judge Rutherford asked Attorney Case to list the names of those properties and the owners and these are named in the motion written below. He added that on the Weddington Theater, the other one third of the property owners have agreed that they will settle so the Board will have a clear title. **Upon motion by Judge Eddy Coleman and second by Neal Smith, the Board unanimously AUTHORIZES disbursement to owners of the properties following:**

1.	Will T. Scott Building	\$360,000
2.	Weddington Theater	\$300,500
3.	Lonnie Johnson	\$ 57,000

Concerning other condemnation properties, Attorney Case reported the Larry Webster Law Office is on appeal by the leaseholder only; the owners of the property did not contest the taking. The Pinson Hotel money has been paid into court and all the tenants are out. He stated the court will intervene if the hotel is not empty soon. Peggy Keene Schnell informed Attorney Case that they would vacate the Larry Keene property by September 10. He said the Alcie Combs property is also on appeal. He does have another proposal but asked to discuss this one in Executive Session. Grace Fellowship Church in the theater property has agreed to be out by October 4 and, if not, possession will be taken. Judge Coleman asked those present from Grace Fellowship if they were on schedule and Debbie Bailey answered they were still in negotiation for a new property but have a temporary location and will do their best to be out by October 5. Judge Rutherford repeated the Board's desire to give the church the time it needs. Mike Stewart stated the church would be out if it needs to be and he thanked the Board for its patience.

Mr. Sumner reported for the architects that in the drilling process for a sub-surface, they ran into some results which will require more testing. A Class F situation exists which is a seismic zone, requiring more investigation and verification underneath the building than initially thought. Judge Coleman pointed out this means more drilling. Mr. King asked for a proposal for the changes to be signed. He said this is a seismic code for seismic resistance for a building and they check the soils and geotech. Judge Rutherford asked if this means caissons would be used and Mr. King replied there would probably be no changes in the caisson design but they would certainly be used. He said the minimal changes are for the grade beams on top of it, more hangers to hold up the ceiling and the ductwork. Mr. Sumner said additional bracing is needed in the structure. **Upon motion by Judge Eddy Coleman and second by Donovan Blackburn, the Board unanimously AUTHORIZES Class F changes for the proposed Judicial Center building.**

Mr. Deskins asked what earthquake zone the building is in and Mr. King answered Two but these changes are not really linked to that; this is more for the clay.

Michael George of Ross, Sinclair & Associates, presented a summary of disbursements for the short-term account as well as accrual earnings and balance at the end of the month. He said his firm would like to propose that the project's current funds be moved from an account in the Bank of New York to an account with Morgan Stanley which is usually done on all short-term accounts and would earn a little more interest. He stated it is just a short-term money market account which invests heavily in US Treasuries and government agencies and is "...a simple way to pick up a little extra yield compared to what we are investing now." He verified that AOC agrees with this. Mr. King concurred when asked by Judge Rutherford. **Upon motion by Donovan Blackburn and second by David Deskins, the Board unanimously AUTHORIZES moving the short-term account currently held by the Bank of New York for the Judicial Center Project to a short-term account with Morgan Stanley.**

Mr. King asked the Board to begin searching for an agent for builders risk insurance for this project. It will be paid for out of construction funds and is for

vandalism, fire and anything concerning damage to property. He asked for two riders for the policy, one for theft and the other for earthquake insurance and declared this is mandatory. Attorney Case recommended that the Board do this. **Upon motion by Neal Smith and second by Magistrate Jeff Anderson, the Board unanimously AUTHORIZES Jim King, AOC Project Manager to work with Rhonda James, Fiscal Court Finance Commissioner and Frankie Stacy, Director of Purchasing for the Fiscal Court, to use Pike County's insurer to obtain the particular coverage for 100% of the construction.**

Attorney Case noted he had received an answer to his original question and the deeds should show title to the Pike County Public Properties Corporation. He said on the first part of next week, he must determine that the KACO insurance covers public properties also. He said even though the buildings are not technically in the County's name, they are included on the insurance. Judge Rutherford asked Ms. James to see to this.

Judge Rutherford said many decisions have not been easy for the Board. He commented that the Judicial Center Project presents an attractive design and should be a beautiful building and he thanked the Board for its choices and for a design which will so graciously blend into the town. He said the architectural firm has done a "magnificent job." He then called for Executive Session. **Upon motion by Neal Smith and second by David Deskins, the Board unanimously AUTHORIZES going into Executive Session.** At the end of Executive Session, no action was announced and Judge Rutherford pronounced ADJOURNMENT of the meeting.

Respectfully submitted,

Rose Farley, Recorder